



Having or Adopting a Child

To protect your growing family, assess your insurance needs, review your family budget, consider basic estate planning, and make a plan to save for education.

Put a plan in place

It's important to know the financial considerations associated with a growing family, including having a plan for both expected and unexpected events. Laying the foundation for a secure financial future for your family starts with having a plan in place.

- Take inventory of your financial resources and revise your budget to account for child-related costs.
- Identify any employer benefits—such as adoption reimbursement, flexible spending accounts, 529 college savings plans, or child care subsidies—which you can take advantage of to help cover child-related costs.
- Identify your long-term goals. To help meet future financial needs, Fidelity suggests people consider saving 15% of pretax income for retirement. That includes their contributions and any matching or profit sharing contributions from an employer.
- Enroll in your workplace savings plan as soon as you are eligible and take full advantage of any employer match.
- Reduce or eliminate bad debt such as high interest credit card debt, and establish an emergency fund as a safety net. Try to build a safety net of at least 3 months of living expenses.
- Save more for retirement and other goals using tax-advantaged savings.

Start saving for college

College costs are soaring, but with a well-thought-out plan that starts early, your investments may have the time they need to keep up.

- Calculate how much you may need to save with the Planning & Guidance Center.
- Not a Fidelity customer? We've still got you covered. Try our college savings calculator
- Choose a vehicle that lets you save on a tax-deferred basis. For many, 529 plans make sense because of the tax advantages and flexibility they offer.
- When considering 529 plans, look at your home state's plan first, as it may offer state tax advantages or other benefits.
- Commit to monthly savings. Even \$50 a month can add up over time.
- Encourage your friends and family to consider making contributions to your child's college fund for special occasions as an alternative to giving other gifts.

Assess your insurance needs

Consider a number of types of insurance, including life, disability, and health insurance. Even if you have some coverage, now is a good time to review what you will need.

- Make sure you have adequate life and disability insurance.
 - Review beneficiary designations for insurance policies.
 - Review your health coverage insurance options.
 - Be sure your insurance coverage is updated to include all family members.
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Establish/update your will and trusts

If you haven't already thought about estate planning, now's the time. You need to be sure your children will be raised and provided for if something should happen to you.

- Establish or update your will.
 - Appoint a guardian for your children.
 - Consider a trust or appoint a trustee.
 - Review beneficiary designations on your retirement accounts.
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Review your tax considerations

With all the additional costs of parenthood, you'll want to take advantage of potential tax savings. Some of the steps to consider are:

- Update your W-2 tax exemptions.
- Take advantage of tax savings available to parents.
- Investigate flexible spending accounts (FSAs) through your employer.

Keep in mind that investing involves risk. The value of your investment will fluctuate over time and you may gain or lose money.

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